

STATE OF MAINE
PUBLIC UTILITIES COMMISSION

Docket No. 2000-184

June 26, 2000

BANGOR HYDRO-ELECTRIC COMPANY
Request for Approval of Amendment to
Special Rate Contract with M&J Company

TEMPORARY ORDER

On March 21, 2000, I issued a Temporary Order approving Bangor Hydro-Electric Company's (BHE) proposed amendment to its special rate contract with M&J Company (M&J). The amendment provides that M&J shall pay for unbundled T&D service at the pre-amendment bundled electric price minus M&J's generation costs, conditioned upon BHE agreeing that M&J's generation service was obtained diligently. In support of its original filing, BHE asserted that M&J did not have sufficient time to obtain generation service other than the standard offer and because of the seasonal standard offer price, it would be extremely unlikely that a competitive provider could offer generation service at a price much, or even any, lower than the standard offer price through May. In light of this, I granted approval of this contract through the end of May and required BHE to submit by May 1, 2000, either a new unbundled contract amendment or an explanation showing that due diligence requires M&J to continue taking standard offer service.

On May 1, BHE filed information suggesting that as of that date, M&J had still been unable to obtain generation service at a lower cost than the standard offer. Thus, BHE concluded that M&J continues to exercise due diligence by remaining on the standard offer. I have reviewed the information provided by BHE and will accept that, for at least the summer period, M&J has exercised due diligence by remaining on the standard offer. Due diligence, however, will require M&J to continue to attempt to acquire generation service at a price less than the standard offer price which we expect may be possible after conclusion of the summer period.

In Docket No. 2000-164, the Commission delegated its authority under 35-A M.R.S.A. § 107(4) to the Director (or Acting Director) of the Division of Technical Analysis to grant temporary approval of such agreements. Pursuant to that authority, I grant continued temporary approval of this amendment, subject to the conditions described below. Accordingly, by August 15, 2000 BHE must file either a new unbundled contract amendment or an explanation showing that due diligence requires M&J to continue taking standard offer service after September 1, 2000. Alternatively, by August 15, 2000, BHE and M&J may submit their dispute to the Commission. My temporary approval, therefore, shall be valid until September 1, 2000 or until the Commission approves, modifies, or resolves the dispute presented by BHE's filing due by August 15, 2000.

Dated at Augusta, Maine, this 26th day of June, 2000

BY ORDER OF ACTING DIRECTOR
OF TECHNICAL ANALYSIS

Faith Huntington